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U. S. DEPARTMENT OF COMMERCE

UNEMPLOYMENT AND BUSINESS STABILITY

AN ADDRESS BY
SECRETARY OF COMMERCE ROBERT P. LAMONT
BEFORE THE
NINETEENTH ANNUAL MEETING OF THE
CHAMBER OF COMMERCE OF THE UNITED STATES
AT ATLANTIC CITY, N. J.
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REPORTS PREPARED FOR THE PRESIDENT'S EMERGENCY COMMITTEE FOR EMPLOYMENT

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(12) Policies and Practices for the Stabilization of Employment in Retail Establishments.

UNEMPLOYMENT AND BUSINESS STABILITY

An address by Secretary of Commerce Robert P. Lamont before the Nineteenth Annual Meeting of the Chamber of Commerce of the United States at Atlantic City, N. J., Wednesday, April 29, 1931.

I greatly appreciate the opportunity of addressing you on this important occasion of the nineteenth annual meeting of the Chamber of Commerce of the United States, and should like to discuss a problem which you will agree represents at this time a vital responsibility of American industry and a very pressing challenge to our business leadership. It is a problem, moreover, which in a peculiar sense demands an associational or cooperative approach for its permanent solution.

Unemployment—for that is the problem of which I shall speak—has always accompanied such great depressions as that from which the world is now suffering and is an evil which strikes deep at the roots of our economic and social well-being. Its paralyzing effects are felt not only by the unfortunate millions throughout the world who find themselves idle, though eager to work, but in every branch of industry and commerce and throughout the entire community.

Enforced idleness and loss of income endanger the security and welfare of the individual and his family. They also mean curtailed operations and shrinking profits to business enterprise, for unemployed labor implies also unemployed capital. The worker is both producer and consumer, and when he finds himself without a job and without income, business has lost a buyer. Hence, the employer who finds it necessary to contract his own operations and discharge his workers is helping to curtail the market for his own goods and those of other producers, and is thereby further aggravating a situation of which he himself is a victim. This vicious circle of unemployment, curtailed purchasing power, and then further unemployment is an evil from which our own and other commercial countries have suffered at recurrent intervals ever since the dawn of this industrial age. There are some who accept this situation with a resignation bordering on fatalism and who believe that the cycle of prosperity and depression is an economic malady for which it is useless to seek a remedy. I do not accept this view, although appreciating fully the many difficulties to be encountered in the search for correctives, and I am also aware that the effects of many of the remedies proposed would be worse than the ills they seek to cure.

But it is equally certain that the problem of cyclical or abnormal unemployment, and the larger problem of which it is a part—that of stabilizing business activity—is not one that can be solved by refusing to recognize its existence. It demands the same kind of persistent and careful research and study, and the same fine spirit of cooperative effort, by means of which American business has been

able to meet and solve so many of its common problems. I need hardly mention the many fields of constructive effort in which American business men, individually, and particularly through their varied trade associations, have been successful in improving practices, introducing economies, and eliminating waste. The extraordinary success of associational efforts during the past decade in elevating the standards of business conduct, in improving employee relations, in attacking the problems of cost accounting, budgeting, credits and collections, and in simplification and standardization, indicates the important rôle which similar collective action can play in helping to eliminate these major economic wastes of instability and unemployment.

At the present time, quite naturally, much attention has been centered on the problem of unemployment. The subject has been discussed in great detail during the past year and a half, often without much knowledge of facts and sometimes with political or other bias. What are the known facts? A nation-wide enumeration of the unemployed was made last April in connection with the regular census of population. A carefully prepared schedule was used in this canvas and the enumerators were compensated on the basis of the number of individuals enumerated on this schedule, so that it was obviously in their interest to count all of the unemployed. The enumerators were instructed to record on the unemployment schedule information regarding every person, ordinarily in the gainfully occupied class, who was not at work on the day before the enumerator called.

All of the persons enumerated on the unemployment schedules were then divided into seven classes. Class A, including those who were "out of a job, able to work, and looking for a job," was obviously the most significant and important group, including nearly all of those we have in mind when speaking of the "unemployed." Class B included those who reported themselves as "having jobs" but not working and not receiving pay on the day before the enumeration. This group consisted in large part of persons working part time—less than the full number of days each week—and also a number who had been laid off from their regular jobs, and should therefore be considered as temporarily unemployed. The other five classes included persons returned as out of a job because of sickness or disability; having jobs but idle for the same reason; out of a job but not looking for work; having jobs but voluntarily idle without pay; and having jobs and drawing pay though not at work—that is, those on vacation. Obviously, practically all of the persons in these last five groups constitute a type of unemployment which can not be considered an industrial or economic problem.

In order to provide some information on the extent of unemployment as promptly as possible, and to avoid the delay involved in punching the millions of cards necessary for a complete mechanical tabulation, an immediate hand count was made of the number enumerated in class A. Preliminary results were published in August, 1930, and the final returns for this class showed 2,429,062 persons, or about 2 per cent of the population, as out of a job, able to work, and looking for a job in April, 1930. These figures were criticized in some sections of the press and in Congress in two respects: First, as being altogether too small a number, and second, as

being purposely misleading in stating the percentage of unemployed as a fraction of the total population, rather than as a proportion of the total number of gainfully occupied persons. With respect to the latter criticism, I might state that the Census Bureau was able to obtain figures on total population very early by means of a hand count, but that even now, a year later, we do not have complete figures on the number of gainfully occupied persons, so that such a comparison at the time the unemployment results were released would have been quite impossible.

As months went by and industrial conditions grew steadily worse, discussion of unemployment continued, and more and more extravagant guesses, some running as high as 10,000,000 to 12,000,000 were advanced in support of movements to obtain equally extravagant appropriations from Federal funds. It was obvious, of course, that unemployment had increased considerably by midwinter, partly from seasonal causes, so that it was decided to take a special census of unemployment in 19 of the largest cities at a time which it was believed would represent the lowest point of the depression. The 4,700 special enumerators who were employed on this task made a complete house-to-house canvass of every dwelling place in these cities. The field work was commenced January 15 and the last schedule was received in Washington on March 2. The results, published about the middle of March, showed a total of 1,932,000 jobless persons in those 19 cities, from which it was estimated that there were upward of 6,000,000 in the United States unemployed in the latter part of January.

In some quarters—and curiously enough some which believed the April results were too low—the results of the January census were criticized as exaggerating the situation, but, generally speaking, there were few criticisms of this estimate. But some observers cited the January figures as a vindication of their criticism of earlier announcements and of their own high estimates. An examination of the course of business during the period from April, 1930, to January, 1931, however, shows quite clearly that there had been a large increase in unemployment between the two dates. At the time of the April count we were in the sixth month of depression, and business generally was considerably above the low point reached in the following winter. Public utilities, railroads, and many large industrial enterprises were carrying forward construction programs in accordance with the agreements reached at the President's conferences in the fall of 1929. Furthermore, seasonal unemployment in April is normally less by nearly half a million than in January. When the second census was taken, in January, we were nine months deeper in depression than at the time of the first count, and seasonal unemployment was at the highest level of the year.

It was obvious that there had been a large increase in unemployment between the two dates, and good additional evidence of the extent of this increase is to be found in an examination of the figures collected each month by the Department of Labor and other official agencies. By applying these month-to-month changes in employment to the April unemployment aggregate we arrive again at a total of about 6,000,000 for January—a striking confirmation of the results of the special census taken in that month.

I have gone into considerable detail in this matter, as I am anxious that you should be in possession of all of the facts, rather than having to depend upon estimates and guesses frequently made without any sound statistical basis.

Everyone will admit that a total of 6,000,000 persons out of work is a matter for serious concern, although it must be remembered that not all of this unemployment can be attributed to the effects of business depression. Even in the most prosperous years there is a considerable amount of normal unemployment involving a shift of workers from job to job, as well as seasonal unemployment, which varies from a very small number in busy months of the year to a total of more than a million and a half in January and February, when construction and agriculture and many lines of trade and industry reach a low ebb for the year. This type of unemployment is not, under normal conditions, serious, because it generally involves not more than a few weeks' or at most two or three months' idleness for each individual. Since these workers are regularly employed during the remainder of the year and are thus able to maintain themselves during these expected period of idleness, they do not become a part of the general problem of unemployment.

As a matter of fact, the only kind of unemployment that gives cause for anxiety is that class of abnormal unemployment which is the inevitable by-product of such depressions as we are now going through, and this is the serious problem confronting the country today. The total of 6,000,000 for last January—which I am happy to say has already been reduced somewhat by the slight improvement in business during the first quarter—may safely be assumed to include 1,500,000 of seasonally unemployed. This indicates that the abnormal or depressional unemployment amounted to 4,500,000 in that month, or somewhat less than 10 per cent of the total number of workers in the country. But the figures and charts published by various statistical agencies and our own studies in the Department of Commerce indicate that the general volume of business has fallen to a point some 25 to 30 per cent below normal, while some important industries, such as steel, are operating at little better than 50 per cent of capacity.

Is there any reason to believe that, when business has regained this 25 or 30 per cent loss and returned to normal volume, this 10 per cent of the workers will not be readily absorbed by industry?

Certainly there was no serious unemployment problem during the period from 1923 to 1929. The subject was not discussed in Congress and did not appear on the front page of newspapers. You may say that that was an abnormal period during which we overproduced in many lines. But a country does not continue to overproduce and pile up stocks of goods year after year for six or seven years. The bulk of the goods produced during that period was being currently purchased and consumed. According to reliable statistical measures the volume of business did not average more than 5 per cent above normal, and this excess was confined largely to a few of the newer and more rapidly growing industries. Inventories of most raw materials and finished goods were not excessive during this prosperous period, and stocks did not become abnormally large until the depression actually set in. Undoubtedly, due to easy credit and installment selling, there was a large volume of finished goods only par-

tially paid for in the homes of buyers. And, of course, whatever surplus stocks of goods existed at the end of 1929 have not yet been entirely absorbed, because of the paralysis of buying power resulting from curtailed incomes, actual and " paper " stock-market losses, and the fear and uncertainty engendered by the speculative collapse. By and large, however, business, except in a few lines, was not more than normally prosperous during this period, yet unemployment of an abnormal character was virtually nonexistent. Is it not reasonable to suppose, therefore, that our present unemployment problem will virtually disappear with a return to normal and steady prosperity? But this does not mean, of course, that we have no immediate responsibilities.

What, then, of the contention that, due to technological and other factors, unemployment has become a permanent problem? As you know, there has been much recent discussion of technological unemployment—meaning, of course, that which grows out of the displacement of men by machines and other labor-saving devices and shifts in industry. It has frequently been assumed that this type of unemployment is a distinctive characteristic of this particular depression and that the rapid displacement of workers by machinery coupled with the overexpansion of many industries is likely to result in a permanent unemployment problem. That this technological displacement of labor in many of the basic industries has been going on at a rapid rate during the past decade is apparent to everyone, but there is ample evidence that these changes have resulted not in unemployment, but in the shifting of workers from agriculture and manufacturing to the newer service industries. Moreover, this phenomenon is by no means a new one; it has been going on at a more or less rapid rate during the past two centuries, and there is every reason to believe and hope that it will continue in the future as in the past.

Almost 50 years ago, during the depression of the middle eighties, the First Report of the United States Commissioner of Labor was published, and in this volume an entire section is devoted to a very interesting discussion of Machinery and Overproduction. In view of our natural tendency to think of present problems as being unique and never before encountered in history, it may be of interest to read a few extracts from this chapter. " The rapid development and adaptation of machinery," states the report, published in 1886, " have brought what is commonly called overproduction, so that machinery and overproduction are two causes so closely allied that it is quite difficult to discuss the one without taking the other into consideration."

The report then cites a multitude of specific instances of the displacement of labor by machinery. One agricultural implement factory was reported as employing only 600 men in 1886, who, aided by improved machinery, were able to do the work for which 2,145 were required a decade before. A large shoe-manufacturing firm stated that the introduction of new machinery, within the preceding 30 years, had displaced about six times the amount of hand labor formerly required and that the cost of production had been reduced one-half. Another firm reported that one man could do the work which 20 years before required 10 men. A clothing manufacturer reported he had installed a machine which enabled one man to do

six times the amount of work done before by hand labor. In paper manufacture a large firm was able to treble its output per worker by the aid of new machinery, while in the manufacture of wallpaper the displacement was said to be as high as 100 to 1. Hundreds of other similar instances are recorded in great detail. And let me point out again that I am not reading from a report published this spring, but from one which appeared in March, 1886.

Apparently, then as now, there was a feeling among many people that overproduction and unemployment had become persistent and continuous phenomena and that the world had entered upon a new era of permanent depression. The future looked very gloomy indeed. "In England, Belgium, and France," states the report, "railroads and canals that are really needed have been built, Germany is provided with a full network of railroads, and in the United States railroad construction has been out of all proportion to the increase of products to be carried. Harbors and rivers are sufficiently developed, and warehouses, water and gas works, tramways, etc., are largely provided for; the Pyrenees and the Alps are tunneled, and the Suez Canal has been built. Terrestrial and transoceanic lines of telegraph have been laid and the merchant marine has been transformed from wood to iron. The nations of the world have overstocked themselves with machinery and manufacturing plants far in excess of the wants of production. *On all sides one sees the accomplished results of the labor of half a century.* What is strictly necessary has been done oftentimes to superfluity. This full supply of economic tools to meet the wants of nearly all branches of commerce and industry is the most important factor in the present industrial depression. It is true that discovery of new processes of manufacture will undoubtedly continue and this will act as an ameliorating influence, but it will not leave room for marked extension, such as has been witnessed during the last 50 years, or afford employment to the vast amount of capital which has been created during that period. * * * *The day of large profits is probably past.*"

You can readily see from this quotation, gentlemen, that the outlook for the future in 1886 was very drab indeed. But in order not to leave its readers in too great discouragement the report goes on to add that—"supplying themselves with full facilities for industries and commerce will give to each of the great nations of Europe and America *something to do*, but the part of each in this work will be small and far from enough to insure more than temporary activity. It may *help to keep away stagnation* and modify the severity and duration of industrial depressions."

Reading these comments now, half a century later, it seems almost incredible that they were written in the age of zinc bathtubs, Brussels carpets, kerosene lamps, horse cars, mud roads, red flannel underwear, and cotton stockings. However, there is some comfort to be found in the fact that, after these dire predictions, the world really did find something to do during the next half century. Despite the fact—or rather because of the fact—that we continued to release labor from the basic industries by further use of labor-saving machinery, we were able to invent, produce, and sell, a host of new comforts and luxuries (automobiles, radios, motion pictures, airplanes, electrical equipment—to mention only a few) which were

hardly thought of in 1886, when it appeared that the work of the world had been completed.

I am enough of an optimist to believe that industrial history will again repeat itself and that the next 50 years will witness further displacement of labor from the older pursuits and the further development of many new products and new services which will afford employment to those displaced and supply the ever-expanding wants of our people. To believe otherwise would be to accept the view that technical progress has reached an end and that business henceforth will be static and stationary.

But these bright prospects for the long-term future can not obscure the fact that we are deep into one of the most severe depressions of our business history and that labor and capital as well have suffered seriously from curtailed earnings and unemployment. In spite of this I am sure it will not be denied that there has been less actual distress and less social disturbance than ever before under similar circumstances. If anyone questions this statement, let him read the accounts of earlier panics and depressions.

He will find that in almost every crisis prior to 1921 the inadequate money and credit system caused suspension of trading on the stock exchanges, runs on banks and closing of many of the largest and strongest, hoarding of gold and currency, sometimes a complete disappearance of hard money and universal financial distress. Employers immediately discharged hundreds of thousands of workers and slashed wages at the first signs of trouble, and labor responded by engaging in the most bitter and destructive strikes, involving destruction of property, riots, and bloodshed. During the great depression of the seventies the suffering of labor was particularly acute; for years great hordes of homeless workers roamed over the country begging from door to door. The police records of large cities recorded case after case of individuals and entire families dying from starvation.

Even in the depths of depression, it must be clear that we have advanced greatly from the misery of the seventies, the eighties and the nineties. And I am sure that it will be generally acknowledged that the outstanding difference between the present depression and its predecessors is the remarkable way in which both industry and labor have meet the crisis with a conciliatory attitude which recognized each other's problems. The great industries of the country responded with fine spirit to the President's request that wages be maintained and that construction and extension programs be undertaken. By schemes for staggering employment, varied to meet conditions in different industries, by carrying forward repairs, alterations, and new construction—frequently in advance of actual needs—by money loans, advances, and credits to former employees to whom it was impossible to give work, by deferring credit payments and installment obligations, and in many other ways, industry generally has shown an interest in its workers of a quality never before seen in this or any other country. Labor's attitude as well has been a most enlightened one, showing that the workers recognized quite fully the difficulties and problems confronting employers. This spirit of helpful cooperation has been of incalculable value in lightening the burdens of the depression, and has made it possible for national and community agencies to care for the pressing needs of the

unfortunate workers who in the backwash of a great depression, find themselves adrift without means of support.

This voluntary assumption of responsibility on the part of industry involving, as it has, the finest type of cooperative spirit and collective effort, has been one of the most important factors in carrying us thus far without serious distress or disturbance through a major depression. And this attitude on the part of industry toward its common problems seems to me to hold out the best hope for the future.

Throughout these difficult and trying months, hundreds of suggestions have come to Washington of things to be done to bring about a return to normal conditions. These plans generally contemplate vast expenditures of Federal funds, the planning and preparation for which, alone, would require years. Many proposals seemed to be based on the assumption that the Federal Government can draw a line across the continent and proceed at once with the construction of roads, bridges, and other forms of public works. The truth is that the Government can not get under way with its construction programs as quickly as individuals or corporations. It can not take private property without due process of law, and without condemnation proceedings—a legal process which necessarily takes more time than private negotiations.

The truth is that I have not seen a single feasible scheme suggested by which the Federal Government could have done more than it has done to bring about a return to more prosperous conditions. No other Government has been able to do more. Nor have those Governments leaning toward a socialistic policy been successful in finding a solution for present problems.

No governmental policy, however wise, no individual, however powerful, no single industry, however great, can promptly bring about a change in a situation such as that in which we now find ourselves. The forces are too vast and powerful. If millions of workers are out of employment for a year, through loss of wages their buying power is cut by billions of dollars. If the income of the remaining millions who are still employed is cut 10 per cent through shorter hours and part-time work, the loss amounts to several more billions. Add to this great loss in buying power the retrenchment due to the fears and uncertainties of such a period, and the total loss of purchasing power becomes a staggering amount.

A Government building program, even contemplating the expenditure of a billion dollars in a single year, while it would be helpful, of course, could not materially affect the situation. The lever must be in proportion to the weight to be lifted, and the only lever powerful enough to lift us out of our present difficulties consists of the combined efforts of all our industries and all our people, each doing his share as producer and consumer.

After such a cataclysm as we have been through, time and the slow working of economic readjustments are necessary before the world can return to economic health and vigor.

And there can be no doubt that many of these necessary readjustments have been and are being made, and that business is even now sluggishly responding to the stimulus of these needed changes. Whatever were the causes of our present difficulties, the corrective influences have now been at work for many months. If an unequal

distribution of the world's capital supply—to which overspeculation in this country may have contributed—was a factor, there are already indications that this situation is gradually being corrected. If overproduction of many commodities of world-wide importance was a contributing cause, surely this situation is being corrected. Production has been drastically curtailed, and accumulations of goods have been cut down in spite of reduced demand.

If prices were maintained too long at too high a level, it can not be denied that this situation has been corrected. Perhaps in some cases price declines have gone too far, but if present prices are below the cost of production, these maladjustments will correct themselves promptly with improving markets. If in this country a bad situation was made worse by a drought which destroyed the buying capacity of large sections of our people, reports from nearly all parts of the stricken areas give promise of good crops for the coming year.

And we must remember that agricultural prosperity is still a vital factor in our national economy. Although we have shifted in a century from a position in which agriculture occupied the attention of 90 per cent of our people to a position in which only a fourth of our population is dependent on the farm, it is still true that agricultural buying power is a tremendously important factor, and that crop production constitutes a substantial proportion of our national output. It is a quite significant fact that the upturn from almost every major depression since the Civil War began about the middle of the year, or at the time when the crop prospects became reasonably certain. The outstanding exception, that of 1914, when business turned upward in midwinter, can undoubtedly be attributed to the influence of the war.

Study of these curves of business volume shows other significant things. In most of the earlier depressions, the decline from the date when business turned downward occupied from 11 to 16 months, while business on the average declined about 25 per cent from the maximum.

In the present depression, as I have said, we have already experienced a longer and more severe decline than in most earlier depressions. It appears that the severity of these dips below normal—at least the "statistical picture" of the severity of depressions—has been becoming greater in recent decades, and this still further emphasizes the necessity of serious efforts to bring about some means of control.

Since it is apparent that any efforts to ameliorate the severity of depression after the collapse has commenced can not be very effective, it clearly becomes a problem of controlling the preceding boom before it has reached the mob-psychology stage. As one of our experienced and able commentators has said, the cure, if there is a cure, must involve "sitting on the bulge" before the speculative boom has gotten out of control. But who is to sit on the bulge and when? How shall we know when the stage has been reached which requires a flattening of the boom? The job can only be done by industry itself. With respect to financial and credit considerations, the banks have great responsibility and will have to exert the necessary pressure or restraint long before the acute phase has been reached. In the maintenance of a better balance between production and consumption, and in keeping prices on a fair level, in fostering sound business policies and practices, in developing a spirit of "live

and let live" in the competition for sales—all of these influences must come from industry itself, and there are many indications that much can and will be done in this direction.

A most important factor in aiding these developments is the growing tendency among the individual units of industry to take into account in their own planning the interest and welfare of the industry as a whole. The development of the American trade association movement has been and will continue to be a very significant influence in the direction of greater business stability. And there are many things that can be done in this direction within the bounds of legal sanction.

As for the long-term future—however discouraging the present outlook may appear to some observers, just as it did in 1886—we can be sure that the increase in our population and the steady elevation of our standard of living will continue to be powerful forces in bringing us to new and higher levels. Those of us who started in business in the early nineties have seen the population of the country practically doubled in our generation—from 63,000,000 in 1890 to 123,000,000 to-day. We have seen added to our population almost the equivalent of the whole of Germany to-day, with all that this implies in increased consumption of goods, houses, factories, transportation facilities, schools, roads, theaters, etc. In the past decade alone we have witnessed an increase in our population of 16,000,000, and, even though the percentage rate of population growth is decreasing, we can expect that the coming decade will bring another large increase.

But we have not depended in the past, nor shall we depend in the future, upon mere increase in numbers for our expanding trade. Throughout the history of our country, and of other countries, during the industrial era, each decade has found a further improvement in the standard of living, in the real wages of labor, and in the abundance of material comforts and luxuries.

Since the Civil War, dollar wages of labor have increased almost uninterruptedly, and at the present time the actual rates paid are between four and five times as great as at the end of that war. Making allowance for changes in price levels, the real wages of labor have more than trebled during this period. Along with this increase in wages, which is a measure of the advancement in our standard of living, working hours have been steadily reduced. It is not so many years since men, women, and children on the farms worked from sunup to sundown, while in the factories, mills, and mines, 11 and 12 hours a day was the rule, and even longer hours were not exceptional. Gradually throughout the years, as conditions warranted, and not always without opposition and serious misgivings on the part of owners of industries, the hours have been reduced until now 8 hours a day has become a generally accepted standard.

Moreover, in many occupations, working time has been further reduced by the Saturday half holiday. Of course, this progress would not have been possible without the continual lowering of costs through the increasing use of machinery and other labor-saving devices. But it is true, nevertheless, that the most prosperous periods of our industrial history have been those coincident with high wages and shorter hours.

If we have already adjusted ourselves to a reduction of more than 40 per cent in working hours, taking into account the Saturday half holiday, and if we have trebled real wages in the last six decades, it must be clear that as our technical and economic progress justifies it, further adjustments can certainly be made without serious results. The past half century in this country has been devoted to increasing production and lowering costs. The phenomenal growth and rising prosperity of the country has absorbed this increased production even as it lowered costs and widened markets. It is interesting to note that even in this period of depression when selling prices are pressing close to production costs one of the very largest corporations, which has been fortunate enough to be able to continue its production at a high rate, has adopted a working schedule of four 6-hour shifts. As a result of this experiment, this corporation has not only found it possible to lower working hours, and maintain a fair wage rate, but also through a 100 per cent use of equipment it has actually reduced the cost of production. The plan would probably not be applicable to all industries, but it is an interesting indication of what can be done.

It shows too, that American business is not static—that its leaders have imagination, courage, and vision, that by the further application of evolutionary principles and methods, which have been in use for generations, new problems can be met and solved.

One who has seen the splendid way in which the present generation has met the problems of its time—growing out of industrial and transportation developments, nothing short of revolutionary, and including the stupendous difficulties arising from a terrible war—can not doubt the ability of the coming generation to solve its problems at least as satisfactorily as we have solved ours.

In the next decade or so the younger men in this audience who will be in charge of the business of the country at that time, may find themselves again in the midst of another depression—for human nature does not change much in a generation. If they observe well and remember the hardships and difficulties of our present situation, if during the intervening years they put a little more emphasis on the economic and human aspects of business, and if they begin as soon as conditions warrant to put away each year in some form of reserve a small fraction of what may have perhaps been overspent in mechanical and physical development, they may find themselves with a less difficult problem of unemployment to cope with and in a very much better position to meet it.

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